

Triple Header Presentation

"What Every Internal Auditor Needs to Know
To Detect Fraud"

Central Jersey Chapter

(Co-sponsored by Rider University, College of Business and the Center
for Business Forensics)

May 19, 2008

All-Day Seminar - 8 CPE Credits



Session 1: What Every Internal Auditor Needs to Know to Detect Fraud

Speakers: Bert Nuehring and Thomas Randazzo

Fraud, like all crime, is the product of three factors: a supply of motivated offenders; the presence of a prospective victim or target; and the absence of a capable guardian (Cohen & Felson 1979). The prevention and detection of fraud presents challenges for Internal Auditors to protect organizational assets.

Whether it is fraud against government programs or misappropriation of corporate assets by a company director, there are early warning indicators of fraud which Internal Auditor's need to know. Learning about these early warning indicators or "Red Flags" can detect frauds earlier in the process and contribute to strengthening the control environment. This session will explore these "Red Flags" and identify the steps an Internal Auditor can take to strengthen controls for the prevention and detection of fraud.

Session 2: Building an Effective Fraud Risk Management Framework in your Organization

Speakers: Stephen Doka and Jim Lombardo

The numerous and often complex laws, regulations and guidance that have come about in the post-Enron environment can make it difficult to formulate and create an effective and appropriate fraud risk management structure in your organization. The speakers have been involved in teaming with numerous organizations to help build and bolster their fraud risk management infrastructures; they have seen what works and what does not. The speakers will provide a structured approach that can be adopted by most organizations. Topics covered include: Regulatory Requirements and Guidance; Elements of a Fraud Risk Management Framework; Governance; Roles & Responsibilities; and the Fraud Risk Assessment.

Session 3: Top Best Practices for Detecting Fraud

Speaker: Richard B. Lanza

To combat fraud, companies are implementing anti-fraud programs and controls yet any effective program needs to have automated procedures that sift through organizational data. Auditors also need such automated routines as company data becomes more and more digitized.

Through a collection of practical case studies in the areas of general ledger, accounts payable, accounts receivable, payroll, and inventory, an automated fraud detection methodology will be presented that:

- Outlines the top best practices for detecting fraud.
- Automates each procedure in an anti-fraud program and controls methodology.
- Aligns to top frauds precise and close proximity reports to maximize findings.
- Assigns the appropriate software to the task at hand, including a detailed look at data analysis techniques including financial statement analysis, data mining, spreadsheet audit tools, and external benchmarking.
- Sets a priority model for sorting the results for actual review and testing.
- Explains a variety of cost recovery procedures to help uncover fraud or free.

Speaker Bios

Stephen K. Doka, CPE, CFE

Mr. Doka is a Senior Manager in the New York Forensic & Dispute Services practice of Deloitte Financial Advisory Services LLP. He has a broad range of experience in white collar crime and fraud investigation.

Mr. Doka specializes in corporate investigations, anti-fraud programs and controls, and forensic accounting. Engagements that Mr. Doka has worked on include: financial reporting manipulation, asset misappropriations (internal and external), organizational fraud risk, political corruption, and organized crime influence.

In addition, Mr. Doka has served as an adjunct faculty member for John Jay College of the City University of New York where he taught accounting and has lectured on the subject of prevention, detection and investigation of fraud.

Prior to coming to Deloitte FAS, Mr. Doka held a senior level management role at a large professional services firm where he specialized in dealing with high fraud-risk clients. Mr. Doka and his team focused on: identifying, assessing and responding to fraud risks; assessing the effectiveness of antifraud programs; conducting investigations for clients; conducting fraud training sessions; authoring industry specific fraud related whitepapers; and, other thought leadership initiatives. Clients included many leading Fortune 500 companies as well as prominent public sector entities.

Mr. Doka also previously served as a Deputy Inspector General for the Office of the New York State Inspector General and as a criminal investigator for the New York State Attorney General. These positions provided Mr. Doka with broad exposure to criminal investigations and prosecutions as well highly sensitive governmental matters. In addition, Mr. Doka was appointed to a special NYS gubernatorial commission charged with investigating fraud and corruption within the NYC public school system.

Richard B. Lanza, CPA/CITP, CFE, PMP

Rich Lanza, co-author of The Buyer's Guide to Audit, Anti-Fraud, and Assurance Software and The IIA's Proactively Detecting Fraud Using Computer Audit Reports, is a leading authority on audit software with more published works on the topic than anyone else, which includes his Web site AuditSoftware.Net that is ranked by Google as the #1 Web site for audit software. More importantly, Rich practically uses audit software daily, as he has for the past 16 years, saving clients millions of dollars annually.

Jim Lombardo, CFE

Jim is a Firm Director in Deloitte's Enterprise Risk Services Practice. He has over 15 years of experience building and managing anti-fraud activities within the Internal Audit departments at various fortune 500 companies.

Jim has extensive forensic experience leading investigative cases in a wide variety of operational areas including advertising and marketing, procurement, accounts payable, sales and distribution, revenue, collections, and inventory. Prior to joining Deloitte & Touche LLP, Jim managed forensic investigative units within the internal audit departments of Altria and the Interpublic Group of Companies.

During his time at Altria, the Interpublic group and now as a consultant with Deloitte & Touche LLP, Jim has helped companies establish robust anti-fraud programs including the establishment of anonymous tip lines, entity level controls and policy, fraud risk assessments, investigative protocols, and fraud awareness trainings.

Jim has performed or managed numerous fraud investigations during the last 15 years, including cases involving conflicts of interest, corruption, kickbacks, misappropriation of assets, revenue diversions, client over-billings, FCPA matters, tax evasion and financial statement fraud.

Currently, Jim leads all forensic related activities for one of our largest internal audit engagements. In connection with restatement activities at this client, Jim coordinated and led 50 investigations spanning 22 countries around the world resulting in financial statement adjustments exceeding \$100 million.

Bert Nuehring, CPA

Mr. Nuehring is responsible for planning, administering and supervising audit, accounting and consulting service engagements for governmental and not-for-profit entities. Mr. Nuehring's experience includes projects related to performance auditing, internal auditing and accounting outsourcing, rate and cost analysis, cash flow forecasting, compliance analysis, debt restructuring, budgeting, federal program administration, standard implementation, strategic planning, project management oversight, and tax increment financing.

Mr. Nuehring is a member of the firm's Public Sector Services group. This group provides assurance, financial advisory and consulting services for government entities at the state and local levels as well as assurance, tax and performance consulting services to the not-for-profit, education and health care industries.

Mr. Nuehring has presented seminars to the Government Finance Officers Association (GFOA), the Association of School Business Officials International (ASBO), the Illinois CPA Society, the Illinois Government Finance Officers Association (IGFOA), the Illinois Association of School Business Officials (IASBO), the Illinois Municipal Treasurers Association and the Illinois Chapter of CPA's for the Public Interest. Mr. Nuehring has also been a guest lecturer at the University of Illinois at Chicago on governmental and nonprofit accounting and accounting information systems. Mr. Nuehring is a member of the American Institute of Certified Public Accountants (AICPA), the Illinois CPA Society (Past Chair, Governmental Report Review Task Force), the Government Finance Officers Association (Special Review Executive Committee for the Certificate of Excellence in Financial Reporting), and the Association of School Business Officials (ASBO Certificate of Excellence in Financial Reporting by School Systems Panelist and Accounting, Budgeting, and Financial Reporting Committees). Mr. Nuehring holds a Bachelor of Arts in Accounting and Business Administration from Wartburg College, Waverly, Iowa and is a certified public accountant.

Thomas Randazzo, CFE

Tom Randazzo is a Manager in the firm's Risk Services practice. Based in the Mount Laurel NJ office, Tom is responsible for managing internal audit functions, project-based engagements, partnering arrangements, and enterprise-wide risk assessments. Tom has additionally focused substantial time to assisting publicly traded companies comply with the requirements of Section 404 of the Sarbanes-Oxley Act. While at Crowe, Tom has recently helped many clients with their compliance with Section 404 of the Sarbanes-Oxley Act in the industries including Software Design, Telecommunications, Healthcare and Pharmaceutical Manufacturing.

Previously, Tom also worked in the New York and New Jersey offices of Ernst & Young LLP in their Internal Audit and their National Finance group.

Tom is a current member of the Institute of Internal Auditors and the Association of Certified Fraud Examiners. Tom received a Bachelor of Science from Northern Arizona University, Flagstaff, Arizona.

Cost, Time, Location

Cost Members \$90 Non-members \$125 Rider Students and Faculty \$35.00

Continental Breakfast and Lunch is included in the seminar cost.

An **invoice is available** on the event sign-up page on the Chapter's IIA Webpage if you need one.

Make checks payable to: ***IIA Central Jersey Chapter***

Mail Payments to:

IIA Central Jersey Chapter
c/o Celebrations Event and Meeting Management, LLC
40 Galesi Drive, Suite #30
Wayne, NJ 07470

Government employees – Please bring your vouchers to the session. If you mail the vouchers, please mail to:

Central Jersey Chapter of IIA
c/o Steve Eells
PO Box 067
Trenton, NJ 08625

Date MONDAY – May 19, 2008 ALL DAY - SEMINAR

Time 7:30 AM – 8:30 AM Registration and Continental Breakfast
8:30 AM – 4:30 PM Seminar 8 CPE Credits

Dress Business Casual

Reservations & Cancellations

REQUIRED! Please reserve your spot now since seating is limited and kindly let us know if you need to cancel.

Please register via the IIA Chapter website:
<http://www.theiia.org/chapters/index.cfm/view.events/cid/230>

For any questions or cancellations, please contact our Event Manager, Celebrations Event & Meeting Management via email: IACNJ@celebrationsevent.com

Location Rider University
College of Business - Sweigart Auditorium
2083 Lawrenceville Road
Lawrenceville, NJ 08648
(609) 896-5000

Directions:

From the NJ Turnpike: Take the New Jersey Turnpike South to exit 7A (I-195 West). Follow I-195 West to Exit 60-B for I-295 North toward Princeton. I-195 will become I-95 South. Take Exit 7-A off of I-95 to US Route 206 South (Trenton). Rider is a quarter mile on the right.

From Route 1 South: Take the exit for Interstate 95 South (sign says "To Pennsylvania"). Bear right at junction, following signs for I-95 South (Pennsylvania). Take Exit 7A off of I-95 to US Route 206 South (Trenton). Rider is a quarter mile on the right.

From South Jersey: From the Garden State Parkway: take Exit 98 (I-195 West). Follow I-195 West to Exit 60-B for I-295 North toward Princeton. I-295 will become I-95 South. Take Exit 7A off of I-95 to US Route 206 South (Trenton). Rider is a quarter mile on the right.

From I-295 North: I-295 North, straight over the Delaware River into New Jersey. Take Exit 7-A off of I-95 to US Route 206 South (Trenton). Rider is a quarter mile on the right.

From the Pennsylvania Turnpike: Take the Pennsylvania Turnpike East to the main Philadelphia Exit 351 and follow the signs to I-95 North. Continue on I-95 North, straight over the Delaware River into New Jersey. Take Exit 7-A off of I-95 to US Route 206 South (Trenton). Rider is a quarter mile on the right.

CPE/Seminar Information

Level of Knowledge:	Basic/Intermediate
Recommended CPE Credit(s):	8
Prerequisite & Advance Preparation:	None *
Method of Presentation:	Group Live
Recommended Category of Eligibility:	Auditing

The Institute of Internal Auditors, Central Jersey Chapter, is registered with the New Jersey State Board of Accountancy.

For more information regarding administrative policies such as complaints and refunds, please contact the Central Jersey Chapter at IACNJ@celebrationsevent.com or 609-520-2383.